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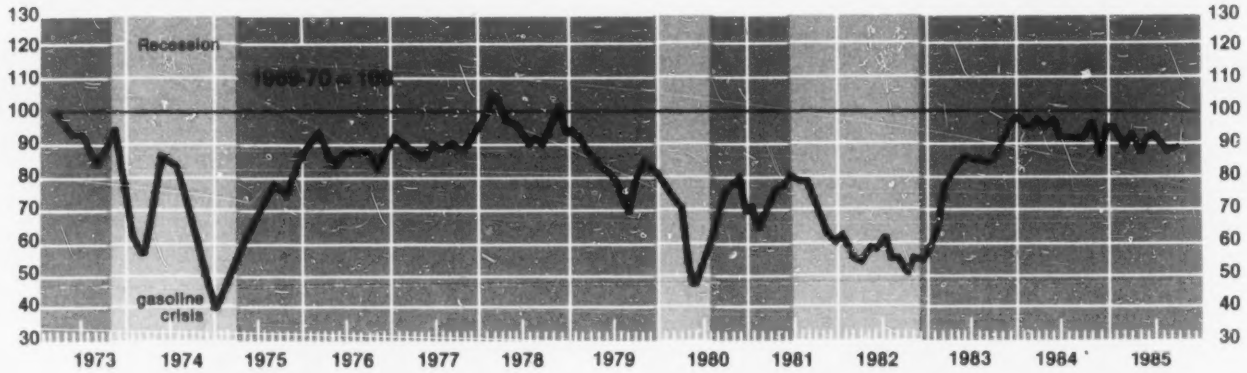
Consumer Attitudes and Buying Plans

A Monthly Report from The Conference Board
Based on a Survey Conducted by NFO Research, Inc.

Consumer Confidence Index

November, 1985



CONFIDENCE CONTINUES STEADY BUYING PLANS ARE MIXED

Consumers' spirits continue to be steady and strong. The Conference Board's Connsumer Confidence Index (1969-70 = 100) registered 88.9 in October, a fractional gain for the month. The Index, with some minor fluctuations, has been at its present level since early Spring. Buying plans are somewhat softer.

Consumers are slightly more positive in their view of the present situation. Over the past two months there have been small increases in the number of those who feel that business conditions are "good." Also, last month there was a decline in those who complain that jobs are "hard to get."

In looking ahead to the next six months, there was an increase in the number of respondents who believe business conditions will improve, but also a rise in those who fear they will worsen. Overall, the expectations component of the Index—which has a long record as a leading economic indicator—has remained substantially unchanged and at a comfortably high level over the past few months.

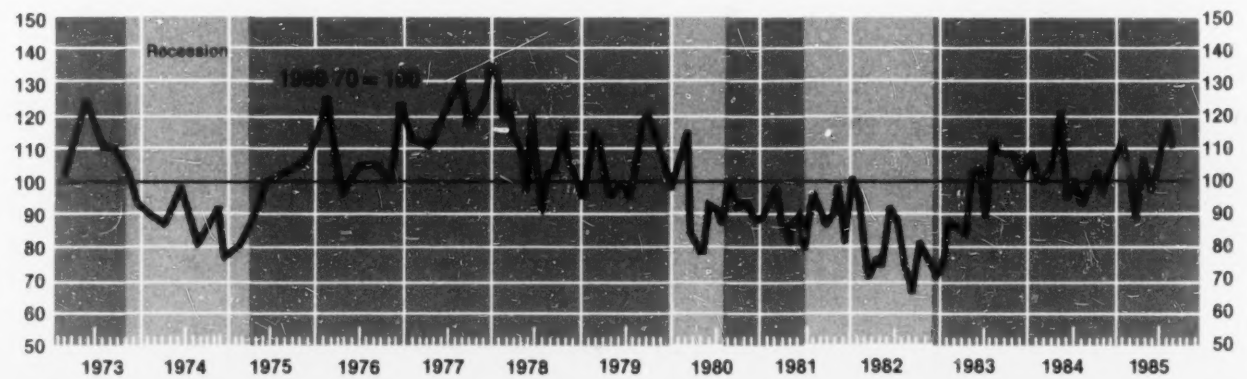
Plans to buy are mixed. Some 8% of all respondents plan to purchase a car within the next 6 months, down from a record high of 11% in the preceding survey. That's not an unexpected development, given the recent promotion-supported boom in auto sales. Intentions to purchase a home slipped to 3.4% from 3.6 percent. This series has been at roughly this level over the past five months or so.

However, plans to buy a major appliance have increased sharply. In the most recent survey, 36.7% of all those contacted expressed such an intention to buy, up from 29.8% in the prior month. The present reading of this series is the highest in seven years. Plans to purchase are up quite sharply for all eight items included in this segment of the survey.

The measure of consumer confidence, despite some static, has continued to remain at a high level for roughly the past year and a half. Like the readings of many of the major economic indicators, the message from the consumer continues to be indecisive. Still, the fact that the consumers' mood has remained so positive for so long despite the relatively modest pace of economic growth thus far this year may be regarded as a sign of strength. Certainly there are none of the distress signals from the consumer that generally precede a recession.

Fabian Linden

Buying Plans Index



All data seasonally adjusted

Consumer Expectations and Intentions

Based on surveys conducted by NFO Research, Inc.

Percentage of all households = 100%

All series seasonally adjusted	1984 *Oct.*	*Nov*	*Dec.*	1985 *Jan.*	*Feb.*	*Mar.*	*Apr.*	*May*	*Jun.*	*Jul.*	*Aug.*	*Sep. (r)*	*Oct. (p)*
						Composite Series: Index Numbers, 1969-1970 = 100							
Consumer Confidence Index	91.5	96.8	85.9	95.4	95.8	87.8	93.1	87.2	91.5	92.1	89.8	88.2	88.9
Present Situation	76.7	81.0	72.1	83.2	83.2	78.7	85.1	80.4	82.9	82.5	75.7	77.6	79.7
Expectations	101.3	107.3	95.0	103.6	104.1	93.8	98.4	91.7	97.3	98.5	99.2	95.3	95.0
Buying Plans Index	98.5	102.7	96.2	102.3	107.1	113.8	101.4	88.8	107.6	97.7	105.3	119.5	111.2
						Appraisal of Present Situation: Percent							
Business Conditions													
Good	26.9	29.6	25.6	29.4	28.8	28.3	29.5	28.3	29.0	27.8	25.6	26.3	26.9
Bad	19.7	20.1	22.0	19.1	19.6	19.8	18.1	20.3	20.1	19.8	23.9	21.9	21.7
Normal	53.4	50.3	52.4	51.5	51.6	51.9	52.4	51.4	50.9	52.4	50.5	51.8	51.4
Employment													
Jobs plentiful	16.9	19.1	16.5	18.8	19.8	17.7	19.0	19.1	20.3	19.5	18.8	19.4	19.6
Jobs not so plentiful	49.9	47.8	48.5	50.9	49.4	49.1	51.3	48.7	48.2	50.3	50.0	47.9	49.7
Jobs hard to get	33.2	33.1	35.3	30.3	30.8	33.2	29.7	32.2	31.5	30.2	31.2	32.7	30.7
						Expectations for Six Months Hence: Percent							
Business Conditions													
Better	24.3	26.1	20.0	22.0	23.7	19.5	19.7	18.3	20.5	19.9	21.3	20.2	22.1
Worse	8.3	8.6	10.2	7.5	7.5	9.6	8.2	9.1	8.7	7.8	9.1	9.3	11.1
Same	67.4	65.3	69.8	70.5	68.8	70.9	72.1	72.6	70.8	72.3	69.6	70.5	66.8
Employment													
More jobs	18.5	19.2	16.4	17.9	17.2	14.3	15.0	13.4	15.2	15.2	16.6	15.3	17.2
Fewer jobs	16.8	13.7	17.2	14.3	13.7	16.7	15.0	16.9	16.0	15.4	15.0	17.0	17.5
Same	64.7	67.1	66.4	67.8	69.1	69.0	70.0	69.7	68.8	69.4	68.4	67.7	65.3
Income													
Increase	29.1	30.9	26.7	28.9	26.1	26.9	26.2	25.6	27.7	26.7	26.2	27.4	27.5
Decrease	8.6	6.8	7.9	8.2	7.7	7.9	7.2	8.2	7.7	7.7	7.6	7.9	8.7
Same	62.3	62.3	65.4	62.9	66.2	65.2	66.6	66.2	64.6	65.6	66.2	64.7	63.8
						Plans to Buy Within Six Months: Percent							
Automobile													
Yes	7.9	8.5	8.1	8.9	9.2	10.1	7.9	7.2	8.8	7.6	8.8	11.0	8.0
New	4.4	4.9	4.6	4.7	4.8	5.3	4.3	4.0	4.8	5.0	5.0	6.2	4.8
Used	2.8	2.7	2.6	2.8	3.1	3.6	2.9	2.5	3.1	2.4	3.0	3.6	2.6
Uncertain	0.7	0.9	0.9	1.4	1.3	1.2	0.7	0.7	0.9	0.2	0.8	1.2	0.6
Home													
Yes	3.3	3.1	2.9	3.2	3.1	3.6	3.7	3.1	3.5	3.3	3.5	3.6	3.4
New	1.1	1.0	1.2	0.8	0.9	0.8	0.9	0.9	1.1	1.3	0.9	1.1	1.1
Lived in	1.4	1.3	1.2	1.5	1.4	1.6	2.0	1.4	1.6	1.3	1.5	1.6	1.6
Uncertain	0.8	0.8	0.5	0.9	0.8	1.2	0.8	0.8	0.8	0.1	1.1	0.9	0.7
Major appliances													
Total plans	27.2	29.5	27.8	27.1	29.5	28.7	25.9	22.7	29.5	28.	26.5	29.8	36.7
Refrigerator	3.5	4.5	4.2	3.5	3.8	3.9	3.7	3.2	4.7	4	3.7	3.8	5.0
Washing machine	3.3	3.9	3.9	3.7	3.6	3.9	4.3	2.9	3.8	3.6	3.9	4.3	5.7
Black and white TV	0.5	1.0	0.7	0.7	0.6	0.8	0.4	0.4	0.5	0.9	0.7	0.5	0.8
Color TV	7.5	7.8	7.0	7.3	8.1	7.6	7.0	5.4	8.4	7.2	7.0	8.2	10.2
Vacuum Cleaner	5.2	4.7	5.0	5.1	5.3	4.5	4.0	3.3	4.8	4.2	4.0	5.1	5.8
Range	2.3	2.9	2.5	2.3	2.9	2.6	2.0	2.3	2.8	2.9	3.1	2.9	3.0
Clothes dryer	3.4	3.2	2.9	3.2	3.4	3.2	3.0	2.6	3.0	3.3	2.7	3.7	4.4
Air conditioner	1.5	1.5	1.6	1.3	1.8	2.2	1.5	1.6	1.5	1.4	1.4	1.3	1.8
Carpet	6.9	7.4	7.0	5.8	7.8	7.0	7.1	5.9	7.5	7.2	7.4	7.4	8.7
						Vacation Intended Within Six Months: Percent							
Vacation Intended	48.5		45.1		48.9		48.9		50.3		48.7		49.2
Destination													
Home state	10.5		7.2		9.6		9.3		9.7		9.4		8.8
Other state	33.6		31.6		33.7		33.8		35.2		34.0		35.4
Foreign country	6.3		6.8		7.1		8.2		6.9		7.1		6.0
Means of Travel													
Automobile	30.3		26.5		29.6		30.1		32.1		29.9		29.8
Airplane	17.3		17.9		19.3		20.0		19.4		19.1		18.3
Other	3.5		3.7		4.6		5.7		4.3		4.1		3.8

(p)—preliminary (r)—revised

Please Note: In the interest of speeding the data contained in this publication to you, these series are now available on-line through The Conference Board Data Base. For more information, contact Linette Stein Waters at (212) 759-0900.